

Budget 2022 initiatives help ease unemployment situation

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KUALA LUMPUR, Oct 30 -- The Budget 2022 initiatives would help in alleviating the rising unemployment rate, said the Malaysian Employers Federation (MEF).

In a statement today, it noted that the unemployment rate rose to 711,000 persons in 2020 from 508,200 in 2019, while youth unemployment rose to 314,000 persons in 2020 from 295,800 in 2019.

MEF president Datuk Dr Syed Hussain Syed Husman commended the government's allocation of RM4.8 billion to guarantee 600,000 job opportunities under the Jamin Kerja Keluarga Malaysia (JaminKerja) initiative.

Additionally, under the initiative, employers who hire Malaysians who have not been actively employed will be provided with an incentive of 20 per cent of the monthly salary for the first six months and 30 per cent for the next six months, subject to jobs with a salary of RM1,500 and above.

"We also welcome the tax deductions of RM2,000-RM7,000 to upskill employees, not to mention the RM1.1 billion allocated for training and upskilling programmes for 220,000 trainees," he said.

He also lauded the government for setting aside RM2 billion to continue the Wage Subsidy Programme that would benefit about 300,000 employees, especially those in the tourism and related sectors that were badly affected during the lockdowns.

"MEF welcomes the decision to extend the reduced Employees Provident Fund (EPF) minimum contribution rate of nine per cent until June 2022, and to allow small and medium enterprises (SMEs) to postpone income tax instalments for six months until June 30, 2022 as this would greatly help ease cash flow issues.

"The RM100 million matching grants for smart automation for 200 companies in the manufacturing and services sectors would assist them to transform and streamline work processes and move up the value chain," he said.

Syed Hussain said the federation also applauded the government's decision to make it mandatory for all public-listed companies to appoint at least one woman to its board of directors.

“This is a move in the right direction as this is a clear signal to encourage more women to participate in the economic sector,” he said.

On the initiatives for the people, he said the one-off cash aid for low-income households, including single parents with dependents, as well as early schooling assistance to benefit three million students would relieve some of the financial pressures on Malaysians.

“The special RM2,500 tax relief for the purchase of smartphones, computers and tablets and provision of digital equipment to about 600,000 undergraduates from B40 families would also help narrow the digital divide,” he added.

Meanwhile, the Master Builders Association Malaysia welcomed the announcement on upskilling local talents through the continuation of the Technical and Vocational Education and Training (TVET) programme during the Budget 2022 tabling on Friday.

“As the Malaysian construction industry is still over-dependent on unskilled foreign labour, we really hope that this initiative will provide the industry with more local talents to overcome the shortage of foreign workers issue,” it said.

-- BERNAMA
